

Service Date November 26, 1974

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION)	
OF THE MONTANA POWER COMPANY FOR)	
AUTHORITY TO ISSUE AND SELL)	
\$30,000,000 IN PRINCIPAL AMOUNT)	Docket No. 6264
OF FIRST MORTGAGE BONDS AND)	
1,200,000 SHARES OF COMMON STOCK)	SUPPLEMENTAL ORDER NO. 4161
(NO PAR VALUE))	

By Order No. 4161 dated November 21, 1974, this Commission authorized the applicant, The Montana Power Company, hereinafter called the Company, to issue and sell \$30,000,000 in principal amount of First Mortgage Bonds, series due 1981, hereinafter called New Bonds, and 1,200,000 additional shares of Common Stock, without par value, hereinafter called Additional Stock.

The interest rate and price to be received by the company for issuance and sale of New Bonds were to be determined by negotiations with a group of underwriters and reported by telephone to the Commission, and following such negotiations the company was to furnish the Commission with an amendment to its application, specifying the results of said negotiations for the sale and purchase of said New Bonds.

The price to be received by the company for issuance and sale of the Additional Stock was to be determined by negotiations with a group of underwriters and reported by telephone to the Commission, and following such negotiations the company was to furnish the Commission with an amendment to its application, specifying the results of said negotiations as to the price per share to be received by the company for the sale and purchase of said Additional Stock.

On November 26, 1974 the company filed an amendment to its application, setting forth (1) the results of the negotiations for the sale and purchase of the New Bonds; (2) that said negotiations with a group of underwriters provide for the New Bonds to bear an interest rate of $8\frac{3}{4}\%$ and a price to be paid to the company (exclusive of accrued interest) of 99.225 (per \$100 face value thereof) and the effective cost of money to applicant of 8.90%; and (3) that the New Bonds are to be re-offered to the public at the initial public offering price of \$100.00 (per \$100 of face value thereof) to yield $8\frac{3}{4}\%$.

In the November 26, 1974 amendment to its application as aforesaid, the company also set forth (1) the results of the negotiations for the sale and purchase of the Additional Stock; (2) that said negotiations with a group of underwriter provide the price of \$21.775 per share to be received by the Company for the Additional Stock which will be sold by the company for cash to such group of underwriters; and (3) that the Additional Stock will be re-offered to the public at the initial public offering price of \$22.875 per share.

Having fully considered the supplemental application and all the records and files pertaining thereto and being fully advised in the premises, the Commission makes the following

FINDINGS OF FACT

1. That on November 26, 1974 the company filed a supplemental application as contemplated by the Commission's Order No. 4161, dated November 12, 1974, which shows that the issuance by the company of the \$30,000,000 principal amount of First Mortgage Bonds, series due December 1, 1981, in accordance with the terms of the purchase agreement and the results of the negotiations for the sale and purchase of the bonds as summarized above, is not inconsistent with the public interest and is necessary and appropriate for and consistent with the proper performance by the company of service as a public utility in Montana.

2. That the November 26, 1974 supplemental application also shows that the issuance and sale by the company of the additional 1,200,000 shares of common stock, without par value, In accordance with the terms of the purchase agreement and the results of the negotiations for the sale and purchase of the additional common stock as summarized above, is not inconsistent with the public interest and is necessary and appropriate for and consistent with the proper performance by the company of service as a public utility In Montana.

CONCLUSION OF LAW

That the application of The Montana Power Company, as supplemented herein, complies with Sections 70-117.1 through 70-117.6, RCM 1947 and other laws of Montana as aforesaid and the same should be approved and the requested action granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held at Helena, Montana on November 26, 1974, there being present Chairman Ernest C. Steel and Commissioner Victor H. Fall, there regularly came before the Commission for final action the matters in Docket No. 6264, and the Commission being fully advised In the premises;

IT IS ORDERED by the Commission that the application filed by The Montana Power Company herein on November 4, 1974, as amended by supplement thereto filed on November 26, 1974, for an order authorizing the issuance and sale of said bonds on the terms and conditions as set forth in said application, as amended, be, and the same hereby is, approved. The issuance and sale of said bonds, bearing an interest rate of 8 $\frac{3}{4}$ % and at a price to be received by the company therefore of 99.225% of the principal amount thereof plus accrued interest on said bonds to the date of payment for and delivery thereof, be, and the same hereby are, authorized.

IT IS FURTHER ORDERED that the issuance and sale of the additional common stock at the price of \$21.775 per share to be received by the Company therefore when sold by the company for cash, be, and the same hereby are, authorized.

IT IS FURTHER ORDERED that nothing in this order, and no provision of Sections 70-117.1 through 70-117.6, RCM 1947, or any act or deed done and performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by this order or authorized, issued, assumed or guaranteed under the provisions of said Sections 70-117.1 through 70-117.6, ROM 1947.

Except as herein modified all of the terms and provisions of Order No. 4161, Docket Mo. 6264, dated November 21, 1974, shall remain in full force and effect.

The foregoing order was adopted by the Public Service Commission of the State of Montana.

DONE IN OPEN SESSION at Helena Montana, this 26th day of November. 1974.

ERNEST C. STEEL, Chairman

VICTOR H. FALL, Commissioner

ATTEST:
GAIL E. BEHAN
Secretary

(SEAL)